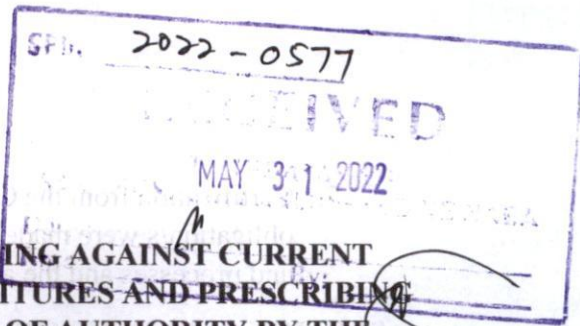


LO



Proposed Ordinance

**AN ORDINANCE REGULATING THE CHARGING AGAINST CURRENT APPROPRIATIONS OF PRIOR YEARS' EXPENDITURES AND PRESCRIBING REQUIREMENTS PRIOR TO THE ISSUANCE OF AUTHORITY BY THE SANGGUNIANG PANLUNGSOD.**

Author: Hon. Ghiel G. Rosales  
 Hon. Trisha Mae T. Morata

*Explanatory Note*

Year in and year out, the City Government of Naga and, in particular, the Sangguniang Panlungsod, encounter frequent adjustments in various budget items, thus, reducing the credibility of the Annual Budget. The unregulated practice of charging prior years' expenditures to the current appropriation, by mere resolution, results in the depletion of funds intended for the current year's operations, and overstatement of expenses that affect the fair presentation of the financial statements of the City.

To further safeguard public funds, there is a need to enforce fiscal discipline by prescribing clear guidelines and requisites prior to the issuance of authority by the Sangguniang Panlungsod and strengthen adherence of the City Government of Naga to:

- a) Sec. 305(a) of R.A. 7160: "No money shall be spent out of the local treasury except in pursuance of an appropriations ordinance or law";
- b) Section 350 of R.A. 7160: "All lawful expenditures and obligations incurred during a fiscal year shall be taken up in the accounts of that year";
- c) The Accrual Basis of Government Accounting which helps ensure that expenditure of public funds is transparent, public officials are held accountable, and future liabilities are recognized officially and planned properly.

Therefore, be it ordained by the Sangguniang Panlungsod of Naga, in session assembled that:

**SECTION 1. REQUIRED ATTACHMENTS/CERTIFICATIONS.** All requests for charging of prior years' obligations and expenditures submitted to the Sangguniang Panlungsod for authorization shall have the following attachments:

- 1. Vouchers or payrolls certified to and approved by the head of the department or office who has administrative control of the fund concerned, as to validity, propriety, and legality of the claim involved;
- 2. Certification from the City Budget Officer that the prior year expenditure or obligation incurred from the previous year/s were authorized under an appropriation during the fiscal year concerned;
- 3. Certification from the City Accountant that the prior year expenditure or obligation were duly obligated and recorded as accounts payable;
- 4. Certification from the City Treasurer as to the availability of funds in the current appropriation from which the prior year expenditure is to be charged;

5. Certification from the City Procurement Officer that the prior year expenditure/s or obligation/s were made in accordance subsisting government procurement policies and processes and the approved Annual Procurement Plan.

**SECTION 2. EXCEPTION.** The certifications and attachments required in Section 1 shall be strictly complied with except in cases of obligations involving regularly recurring administrative expenses such as payrolls for regular or permanent employees, expenses for utilities such as light, water, telephone or communication expenses, remittances to government creditor agencies such as GSIS, SSS, PHILHEALTH, LBP, DBP, Procurement Service of the DBM and others.

**SECTION 3. PROCEDURE.** All requests for charging of prior years' expenditures to the current appropriation shall comply with the following procedure and order:

1. All requests shall be initially reviewed and consolidated by the City Budget Office prior to endorsement to the Sangguniang Panlungsod for the issuance of authority;
2. Upon receipt of the Sangguniang Panlungsod of the request, the matter shall be referred to the Committee on Appropriations for the determination of the propriety request and completeness of the requirements as prescribed in this ordinance;
3. The Committee on Appropriations, upon review of the documents submitted, shall make the appropriate recommendation to the Sangguniang Panlungsod based on the provisions of this ordinance;
4. The Sangguniang Panlungsod shall pass an ordinance authorizing the charging of the prior year/s' expenditure to the current appropriation.

**SECTION 5. PRIORITY IN ALLOCATION FROM SURPLUS.** In order not to adversely affect the current operations of concerned offices or department, budget accounts in the current appropriation charged with prior year's obligations and expenditures shall have priority in the replenishment of funds from the surplus allocation in the supplemental budget.

**SECTION 6. PENALTY.** All prior years' expenditures and obligations incurred without authority through the Annual Appropriations Ordinance and the approved Annual Procurement Plan shall be considered as an unlawful expenditure and shall be a personal liability of the official or employee responsible therefor.

**SECTION 7. REPEALING CLAUSE.** All other ordinances, executive orders, administrative issuances or parts thereof which are inconsistent with this ordinance are hereby repealed or modified accordingly.

**SECTION 8. SEPARABILITY CLAUSE.** Should any portion of this ordinance be declared unconstitutional or illegal by any court of competent jurisdiction, the portions not so declared shall remain in full force and effect.

**SECTION 9. EFFECTIVITY.** This ordinance shall take effect immediately upon approval.

ENACTED: \_\_\_\_\_

XXX

XXX

XXX